

**STATE OF MINNESOTA  
ENVIRONMENTAL QUALITY BOARD**

In the Matter of Transfer of the Site  
Permit Issued to MAPP WIND I, LLC  
for a 130.5 -Megawatt Large Wind  
Energy Conversion System to Moraine  
Wind, LLC, in the Minnesota Counties of  
Counties of Murray and Pipestone

**FINDINGS OF FACT, CONCLUSIONS  
AND ORDER TRANSFERRING THE  
MAPP WIND I, LLC SITE PERMIT TO  
MORaine WIND, LLC**  
**EQB DOCKET NO. 01-10-LWECS-NE**

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The above-entitled matter came before the Minnesota Environmental Quality Board at a regular meeting on December 19, 2002.

**STATEMENT OF ISSUE**

The issue is whether to amend Site Permit number 01-10-LWECS-NE by transferring the permit from MAPP WIND I, LLC to Moraine Wind, LLC, both wholly owned subsidiaries of PacifiCorp Power Marketing (PPM), changing the date by which the project must obtain a long-term power purchase agreement (PPA), and deleting the financial reporting requirements within the current site permit.

Based upon the record and proceedings created in this matter, the Environmental Quality Board makes the following:

**FINDINGS OF FACT**

**Background and Procedure**

1. On May 17, 2001, the Environmental Quality Board issued Site Permit No. 01-10 LWECS-NE to Navitas Energy, LLC. The Permit authorizes Navitas to construct a 130.5-Megawatt wind energy conversion system in Murray and Pipestone counties in three stages. The first stage consists of 34 turbines to generate approximately 51 megawatts of electricity. The second stage consists of 33 turbines to generate approximately 49.5 megawatts of electricity, and the third stage consists of 20 turbines to generate another 30 megawatts of electricity.
2. The original permit with Navistas (Financing of Project, III.M.2) required that the permittee report to the MEQB every three months beginning July 1, 2001, concerning financing of the project until such time as the financing is secured. In addition, the permit stated that if financing was not secured by May 1, 2002, the permit would become null and void for the portion of the project that has not been built.

3. On April 18, 2002, the EQB approved the transfer of Site Permit No. 01-10 LWECS-NE to MAPP WIND I, LLC, a wholly owned subsidiary of PacifiCorp Power Marketing (PPM).
4. On November 26, 2002 PPM notified the staff of the EQB that due to a potential conflict with the Mid-Continent Area Power Pool (MAPP), the names of MAPP Wind I, LLC and MAPP WIND II, LLC had been changed to Moraine Wind LLC and Moraine Wind II, LLC, respectively.

Both new limited liability companies have registered the name change with the Minnesota Secretary of State and are wholly owned subsidiaries of PPM.

5. PPM, on behalf of Moraine Wind LLC, has made a request to change the date by which the project must obtain a long-term PPA (Power Purchase Agreement, III.J.3) in the Site Permit to July 31, 2003.

The Site Permit allows the permittee to construct up to 130.5 MW of wind generation. To date, 51.0 MW is committed under a PPA with Xcel Energy (Xcel). Under this PPA, Xcel has an option through July 31, 2003 to purchase an additional 49.5 MW.

The reason for the request is that Xcel has not exercised its option to purchase the additional 49.5 MW.

6. Site permit condition (Transfer of Permit, III.K. 6) recognizes that the permittee may transfer a Site Permit with MEQB approval. In addition, the recently adopted wind rules also provide for the transfer of permits. Minn. Rules part 4401.0710 (Transfer of Permit). Part 4401.0710, subpart 1 requires a permittee requesting transfer of a permit to provide the name of the existing permittee, the name and description of the person to whom the permit is to be transferred, the reasons for the transfer, a description of the facilities affected, and the requested date of the transfer. The rule also requires the person to whom the permit is to be transferred to provide the EQB with information required by the EQB to determine whether the new permittee can comply with the conditions of the permit.
7. MAPP WIND I, LLC is the existing permittee and has requested transfer of the permit. The entity to whom the permit is to be transferred is an Oregon Limited Liability Company called Moraine Wind, LLC, a company formed by PacifiCorp Power Marketing, Inc.
8. The facilities affected are those that are part of the 130.5-Megawatt project described in the permit. The parties have requested that the transfer be effective immediately.

9. The new wind rules also provide in part 4401.0710, subpart 1 that the person to whom the permit is to be transferred must submit information upon request to demonstrate that the new permittee has the capability to comply with the permit conditions. PacifiCorp Power Marketing previously submitted information to the EQB.
10. PPM is an unregulated member of the Scottish Power Group (SP), which is involved in wind development across the United Kingdom and the western United States. In the United Kingdom, Scottish Power currently has 11 operational wind farms. PacifiCorp Power Marketing is presently bringing online the world's single largest wind energy project, the Stateline Wind Generation Plant along the Washington-Oregon border in the eastern part of those states.
11. Minnesota Rules part 4401.0710, subpart 2 provides that the EQB shall approve a transfer request if the board determines that the new permittee will comply with the conditions of the permit.
12. Moraine Wind, LLC has access to finances, expertise, and staff that will allow the company to comply with the conditions in the Site Permit.
13. On April 30, 2002, MEQB staff determined that PPM/MAPP WIND I, LLC had complied with the financial reporting requirements of the site permit. Given the self funding abilities inherent in PPM the financial reporting requirements stated under the Special Conditions of the current permit are no longer relevant.
14. The representatives of Pipestone and Murray County were contacted on December 4, 2002, and advised of the proposed amendments to the site permit. The zoning administrators from Pipestone and Murray County had no concerns regarding the site permit transfer request. In addition, the agenda and the material for this board item were mailed to these same people on December 12, 2002.

### **CONCLUSIONS OF LAW**

1. Any of the foregoing findings which more properly should be designated as conclusions are hereby adopted as such.
2. The Minnesota Environmental Quality Board has jurisdiction for permit transfers, pursuant to Minnesota Statutes section 116C.694 and Minnesota Rules part 4401.0710.
3. The Minnesota Quality Board has afforded interested parties an opportunity to comment on the permit transfer that has been requested.
4. No comments or objections were filed with the MEQB by Pipestone or Murray County or by any other person.

5. Moraine Wind, LLC is capable of complying with the conditions in Site Permit No. 01-10-LWECS-NE. The site permit transfer request is reasonable and appropriate.
6. The site permit transfer will not create any significant human or environmental impacts.

### **ORDER**

Based on the Findings of Fact and Conclusions contained herein:

The Minnesota Environmental Quality Board hereby transfers Site Permit No. 01-10-LWECS-NE issued to MAPP WIND, LLC, a wholly owned subsidiary of PacifiCorp Power Marketing, Inc. on April 18, 2002, to Moraine Wind, LLC, effective December 19, 2002. Additionally, the Minnesota Environmental Quality Board hereby approves the amendments to the permit changing the required PPA date to July 31, 2003 and deleting the financial reporting requirements contained under the Special Conditions provision. All other terms and conditions in the Permit shall remain in full force and effect.

Approved and adopted this 19<sup>th</sup> day of December 2002

STATE OF MINNESOTA  
ENVIRONMENTAL QUALITY BOARD

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Gene Hugoson, Chair